

SENATE BILL REPORT

ESSB 5628

As Amended by House, April 11, 2017

Title: An act relating to fire protection district formation by the legislative authority of a city or town subject to voter approval.

Brief Description: Providing for fire protection district formation by the legislative authority of a city or town subject to voter approval.

Sponsors: Senate Committee on Local Government (originally sponsored by Senators Takko, Fortunato and Sheldon).

Brief History:

Committee Activity: Local Government: 2/07/17, 2/14/17 [DPS].

Floor Activity:

Passed Senate: 3/02/17, 49-0.

Passed House: 4/11/17, 67-30.

Brief Summary of Engrossed First Substitute Bill

- Permits a city or town to form a fire protection district (district) by resolution, subject to the approval of voters.
- Authorizes city and town districts to impose property taxes and benefit charges in a manner similar to current districts.
- Allows all powers, duties, tangible property, and personnel of a city or town fire department to transfer to a newly formed district upon creation.
- Allows members of the city or town legislative authority to either serve ex officio as fire commissioners or relinquish governance authority to a board of fire commissioners.

SENATE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: That Substitute Senate Bill No. 5628 be substituted therefor, and the substitute bill do pass.

Signed by Senators Short, Chair; Angel, Vice Chair; Takko, Ranking Minority Member; Palumbo and Sheldon.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Alex Fairfortune (786-7416)

Background: The Washington State Constitution provides general police powers for cities and towns, which include the power to establish and maintain a fire department to provide fire protection services within its corporate limits. If a city or town does not wish to establish its own fire department, it may also contract for fire protection services with another jurisdiction, form a regional fire protection authority with an adjacent jurisdiction, or be annexed to an adjacent fire protection district.

Districts are municipal corporations created to provide fire and emergency services in locations outside of cities and towns. Districts are governed by a board of three, five, or seven elected fire commissioners and have the authority to impose property taxes and benefit charges. Districts are established through a petition filed with the county auditor. The petition is then scheduled for public hearing. The county legislative authority must consider the petition and either pass a resolution allowing the petition to be submitted to the voters or deny the petition. If a resolution is passed, voters will vote on the district formation and elect the initial fire commissioners at the next general election. A three-fifths majority of votes approving the proposition is required for formation.

Districts may impose up to three regular property tax levies, each with a maximum rate of \$0.50 per \$1,000 of assessed value. Districts may also impose benefit charges on property within the district. Benefit charges are designed to reflect the measurable benefits a property receives from being within the district's service area. The initial imposition of a benefit charge must be approved by 60 percent of voters within the district voting at an election, and expires in six or fewer years unless subsequently reapproved by a majority of voters. Districts that impose a benefit charge may not impose one of the three regular property tax levies of \$0.50 per \$1,000 of assessed value.

Summary of Engrossed First Substitute Bill: The legislative authority of a city or town may establish a fire protection district by resolution, subject to the approval of the voters. The resolution must include a financing plan for the district, and may propose the imposition of property taxes or benefit charges. The financing plan must include information regarding property taxes, including:

- the total dollar amount the district will levy the first year it imposes a property tax;
- the city or town's highest lawful levy, reduced by the district's levy amount in the first year; and
- the estimated aggregate net dollar amount impact on property owners in the city or town based on the changes.

The resolution containing the financing plan must be scheduled for public hearing and placed on the ballot at the next general election. The ballot title must include the information regarding property taxes that is contained in the financing plan. The resolution must be approved by a simple majority of the city or town's voters if no benefit charge is proposed, or 60 percent of the voters if a benefit charge is proposed.

Members of the city or town legislative authority will serve ex officio as the district's fire commissioners and may not receive compensation for their service on behalf of the district.

The legislative authority of a city or town may relinquish this governance authority to a board of fire commissioners at any time.

Upon the district's formation, all powers, duties, and functions of the city or town fire department are transferred to the fire protection district. In addition, the fire department must deliver the following to the fire protection district once created:

- all written reports, documents, records, files, and written materials;
- all real and personal property, including furniture, equipment, and vehicles; and
- all funds, credits, and assets held in connection with fire protection services.

All appropriations, pending business, contracts, and obligations of the fire department also transfer to the district upon formation. All employees of the fire department transfer to the district upon its creation date, maintaining the same compensation, benefits, and promotion status as they had when employed by the fire department. For purposes of property taxation, the boundaries of the district are established as of the date the voter-approved proposition is certified.

The creation of a city or town district will not affect the powers of a municipal airport fire department. A city or town district may not establish an ambulance service utility that will compete with an existing private ambulance service, unless it finds that the existing private ambulance service is inadequate.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: There should be options when it comes to fire districts and cities. Cities can already annex to a district, this would simply allow a city to create its own district and allows a vote of the people. This bill is about government efficiency. The fire district has embraced the concept of regionalization. If it is possible to join adjacent fire departments and reduce some of the redundancies, then it saves the taxpayers money or extra dollars can be put into direct service on the street level. Fire districts and city fire departments are very different. This bill would provide the interim step of allowing a city to create a fire district, which will allow that district and surrounding districts to consolidate easier.

CON: The main concern is the way the current law reads, that this legislation does not. There are currently protections for existing ambulance services that require they are shown to be inadequate before they can be dispossessed. Under this bill, there are no protections if the district wanted to take over the ambulance in the city. If that section was morphed to address city and town fire districts only, so the current protections carry over, the objection would be removed.

Persons Testifying: PRO: Senator Dean Takko, Prime Sponsor; Geoff Simpson, Washington State Council Of Fire Fighters.

CON: Robert Berschauer, Executive Director, Washington Ambulance Association.

Persons Signed In To Testify But Not Testifying: No one.

EFFECT OF HOUSE AMENDMENT(S):

- Modifies the provisions relating to the authority of a fire protection district to establish an ambulance service, including (1) moving the provisions to a new section; (2) replacing all references to "district" with "fire protection district"; and (3) defining "fire protection district" as a fire protection district established by the legislative authority of a city or town, for the purposes of the ambulance service section only.